EXHIBIT A

LEHMAN BROTHERS

EQUITY RESEARCH

September 13, 2007

United States of America
Technology
Wireless Equipment

Ericsson (ERIC - US$ 38.26) 1-Overweight

Change of Price Target

Lack of Near Term Upside Lowers Target

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Investment Conclusion

- Our analysis of EU mobile network outsourcing opportunities and EU mobile voice and data traffic growth concludes that a period of prolonged revenue growth is likely, with ERIC well positioned to benefit. Valuation multiples are low relative to peers, limiting downside risk. Slow European capex suggests limited if any upside to ests until 2008 and thus we trim our price target to $44.

Summary

- Analysis of mobile voice and data trends suggests building momentum that could trigger increased operator investments from 2H08
- EU mobile network outsourcing opportunities sees driving a 5% to 13% CAGR in EU revs to 2011
- Mgmt reiterated targets of ~5% mobile systems market growth and 'good' growth in services in 2007 at this week's analyst day.
- We expect ERIC to offer a 2008 market outlook in line with our estimates of 6% Networks growth and 15% growth in Services on its 3Q call.
- Mgmt retained confidence in SE share / margins on new phone launches.
- We consider upside to estimates unlikely until 2008 and thus trim our multiple from 16x to 15x and our target from $47 to $44.

Stock Rating

New:	1-Overweight
Old:	1-Overweight

Target Price

New:	US$ 44.00
Old:	US$ 47.00

Sector View: 2-Neutral

EPS (US$) (FY Dec)

	2006	2007			2008			% Change	
	Actual	Old	New	St. Est.	Old	New	St. Est.	2007	2008
1Q	0.37A	0.50A	0.50A	0.53A	N/A	N/A	0.58E	35%	N/A
2Q	0.48A	0.58A	0.58A	0.58A	N/A	N/A	0.69E	21%	N/A
3Q	0.53A	0.56E	0.55E	0.58E	N/A	N/A	0.69E	4%	N/A
4Q	0.83A	0.88E	0.88E	0.86E	N/A	N/A	0.97E	6%	N/A
Year	2.19A	2.52E	2.51E	2.56E	2.77E	2.76E	2.89E	15%	10%
P/E			15.2			13.9			

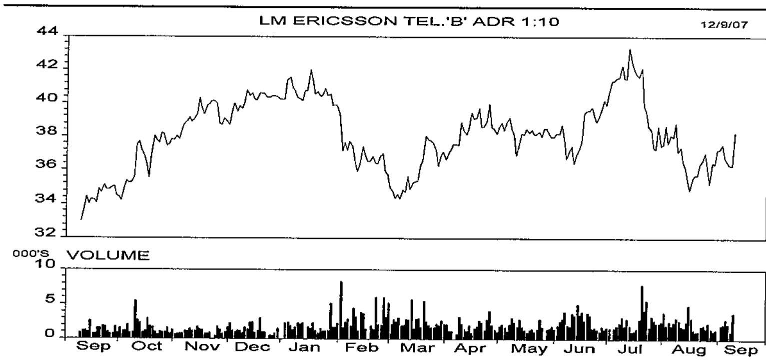
Market Data

Market Cap (Mil.)	61063
Shares Outstanding (Mil.)	1596.00
Float (%)	1210
Dividend Yield	1.36
Convertible	No
52 Week Range	43.41 - 32.57

Financial Summary

Revenue FY07 (Mil.)	27798.0
Five-Year EPS CAGR	5.5
Return on Equity	22.00
Current BVPS	7.53
Debt To Capital (%)	14.00

Stock Overview



Near-term outlook

Ericsson's share price has struggled to break out of a range of SEK 24 – 29 since the start of the year, triggered by consensus estimates that have fallen from a high of SEK 1.85 for 2007 and SEK2.04 for 2008 in January to a current level of SEK 1.76 and SEK 1.86, respectively. There have been no opportunities to raise revenue estimates, accentuated by management guiding for stronger than normal

seasonality in Q3 and Q4 (i.e. stronger than normal declines in Q3 and gains in Q4), while margin levels have eased. Mediocre cash conversion levels have added to the sense that margins could be at risk looking forward. The end result has been a range bound stock.

On multiples the stock seems very good value, for example:

- PE of less than 14x 2008, compared to a European market 12 month forward PE of 12.3x and Nokia at 16.6x
- EV/EBITDA of 7.7x 2008 compared to a European market 12 month forward multiple of 8.0x
- EV/EBIT of 9.2x 2008 which compares to Nokia on 12.2x

Relative to their local markets, PE premiums are at almost 70% for Cisco, for example, 60% for Tellabs, 33% for Nokia; yet Ericsson is at a premium of just 13%, despite earnings growth in 2009 expected to be at a similar level to Nokia for example.

This all implies that there is scope for Ericsson's valuation to expand if some positive catalysts were to come through. The main issues that we think the market needs to see greater visibility on are:

- An improved cash conversion ratio to provide reassurance around earnings quality
- Indicators pointing to revenue upside, driven ideally by developed markets due to strong voice and data traffic growth as well as increased managed services momentum
- Reassurance that Ericsson's ambitions for revenue growth in wireline won't lead to a material margin compression.

In the near-term, we see little scope for concerns around the first two issues to ease significantly. The third issue is very much down to communication from management, which may come through during results calls but may not.

Perhaps the biggest near-term concern is the threat of an indefinite pause in spending in Italy and the UK, Ericsson's 3rd and 6th largest markets respectively. The Times reported on September 12th ("Italian mobile sale may signal Hutchison Whampoa's exit from UK") that Hutchison is looking to sell its stake in Three Italy, raising concerns that the company's UK operations may also be for sale. If industry consolidation does take place, then history suggests spending levels will decline until any merger is complete (e.g. AT&T and Cingular in the US). The impact may also prove country wide as other operators reassess their strategies in the wake of competitor consolidation (Ericsson supplies Three, TIM and WIND's networks in Italy). On top of this, Vodafone and Orange in the UK are still assessing their network sharing plans. This again has scope to hold back spending at those two and also at other UK operators assessing their options in the face of this network sharing deal (Ericsson is the main supplier of Vodafone UK's network and has a small position in Three's UK network). Post consolidation / decision making investment levels have historically rebounded strongly, so concerns should focus primarily on the extent on any short-term dislocation.

Cash conversion rates typically improve in the second half of the year, but the amount of working capital intensive turnkey contracts won in recent months suggest that management is unlikely to reach its longer-term target of 70% cash conversion this year. During Tuesday's Strategy and Technology Seminar in London CFO Sundstrom said that cash conversion would be slightly better in 2007 than 2006 with large turnkey contracts in H2 restricting the usual H2 improvement. With the first half of a year typically generating a cash outflow, it seems unlikely that cash flow levels will improve materially until 2H08.

We see a number of potential revenue drivers coming through, with network outsourcing and European mobile capex two key areas which we analyse in our industry report "Twelve-month Dynamics in EU Tech", published this morning. In our view, market expectations around investment levels in Europe are too low and the potential growth from managed services is not fully reflected in estimates either. On the downside, we expect the positive news flow around these to take some time to come through. Mobile data, for example, seems more likely to drive 2H08 than to impact the rest of this year. On the managed services side, contracts are hard to predict and could come through regularly or all of a sudden, and markets have little visibility into the likely timing of these.

The next key event is the 3Q07 results announcement on October 25th. Management has guided for a greater than normal seasonal decline in revenues, due to the timing of revenue recognition on a number of large contracts, with 4Q07 revenues rising faster than normal. A weak Q3 again makes it difficult to project a strong near-term catalyst for the stock.

The above factors all lead us to conclude that Ericsson's share price is likely to prove range bound for much of this year. We are retaining our 1-Overweight recommendation, however, as we see some positive signs for longer term trends as well as an attractive valuation.

Fundamentals

We see a very positive fundamental outlook for Ericsson, which is the reason we retain our positive bias on the stock. The key drivers are:

- Data and voice driven growth in mobile spending – especially in Europe and the US
- Outsourcing of network operations – especially in Europe
- Improved margin dynamics as turnkey contracts transition to capacity builds, leveraging Ericsson's scale advantage

In our sector report published this morning, "Twelve-month Dynamics in EU Tech", we address the opportunities for growth driven by data and voice expansion as well as from increased outsourcing of network operations by European operators. Combined, we expect both

drivers to support a European revenue growth rate in the high single digits over the next 3 to 5 years. This contrasts to current flat revenue from Europe at Ericsson and market expectations that this trend will prove sustained.

European mobile capex growth – set to recover as mobile data promise comes through

Our European telecom services team forecast capex growth of 2% to 3% in the years 2008 through to 2010. Moreover, some investors seem concerned that spending could actually decline over this period, triggered by Vodafone guiding for a 10% decline in capex in calendar 2008.

However, we believe that early signs of a turnaround are coming through that could ultimately trigger an acceleration in investment plans from 2H08. These drivers are a) a potential doubling in mobile voice traffic over the next 3 years, and b) mobile data starting to show signs of starting a structural growth phase.

The combination of these factors could, in our view, trigger accelerated spending growth to 5%+, which combined with growth in emerging markets could sustain Ericsson's revenue growth in high single digit territory.

Figure 1 and 2: Voice migration to mobile & growth in non SMS data

Source: Company reports, Lehman Brothers

Doubling in voice traffic possible over next 3 years

The left chart shows the extent to which voice traffic migrates to mobile from fixed as per minute prices between the two converge. On average 35% of European voice traffic is carried over mobile networks right now, but the current rate of price convergence suggests that this could rise to over 70% in 3 years. With most network traffic currently consisting of voice, this implies that network capacity would also have to double to retain current utilisation rates. Further, quality levels may have to rise to support this migration, triggering increased investment in in-building penetration.

Mobile data ecosystem maturing – early signs of accelerated growth

The right hand chart above shows year on year growth in European data and SMS revenues. Total non-voice revenue growth is stable or even declining a little. This hides the fact that non messaging data is growing strongly and that this growth has accelerated over the past 3 quarters.

While still early, we believe that this growth in data revenue is a reflection of a maturing mobile data ecosystem, as detailed in Figure 3.

Figure 3: A Maturing Mobile Data Ecosystem

	Historic issues	Future Drivers
Data Speeds	◆ 20Kbps for GPRS and up to 300kbps for WCDMA show progress, but rising graphics content of websites mean that the user experience is still weak for mobile phone and laptop users	◆ HSPA already being implemented for many networks, raising average speeds to 1Mbps, similar to many PC broadband connections, with increases to 10Mbps promised from 2010
Devices	◆ Small screens, slow connectivity and unintuitive user interfaces mean most users are happily focused on voice alone	◆ Large touch-screen phones with innovative user interfaces (e.g. iPhone) coming to market already, greatly improving the user experience. Mid range products (including with HSPA) set for possible launches in 2008
Data Costs	◆ The fear of VoIP cannibalisation as well as high structural costs mean that costs per MB of data are excessive for most users, especially when roaming. A lack of visibility into data costs has also led to 'sticker shock' discouraging users from trying to use data applications again	◆ The cost of HSDPA capacity is said to be one third that of WCDMA. This should allow more attractive pricing plans, including bundles that take away the fear of over spending. Flat rate plans (with maximum usage restrictions) also showing signs of greater deployments.
Applications	◆ News, ring tones, SMS have dominated mobile data applications to date, limiting the appeal for most users.	◆ YouTube, Google Maps, Facebook, Flikr, Yahoo! Mobile, etc. are all mobile friendly or designed applications that should expand appeal. Higher broadband speeds also make web surfing an enjoyable experience

Source: Lehman Brothers

Issues such as data speeds and compelling applications are largely resolved, with HSDPA offering near fixed line download speeds and Web 2.0 applications likely to work well in a mobile environment as well as fixed.

Handset and pricing dynamics have improved markedly, but still have more to do to drive mass market adoption of mobile data. On the handset side, the user interface remains challenging and screens are too small for a pleasant user experience. The iPhone, Nokia's new user interface developments and ovi initiative, all point toward a material improvement in handset capabilities and usability at reasonable price points in 2008. Certainly by 2H08, we expect to see a broad range of compelling devices on the market with a reasonable penetration of the user base (5-10%) feasible.

Data pricing remains a challenge. Per MB prices are averaging at about EUR 0.10 with punitive charges for anyone that exceeds relatively low usage levels (e.g. after 15MB in one day Vodafone charge EUR3 per MB) as well as EUR3 -15 per MB charges for international roaming. We have seen some compelling developments in data pricing in recent months, however, that have effectively reduced per MB costs to less than EUR 0.01 and offer large bundles of data (1GB or 3GB in many cases). Helped by the reduced costs per bit provided by HSDPA over WCDMA we expect to see these progressive tariff plans rolled out more widely in the coming quarters, driving usage growth that has already starting to re-accelerate. The most compelling data point we have found so far is Telekom Austria where their 3GB mobile broadband data card service is priced below standard DSL and has already started to cannibalized DSL connections.

We do not expect current traffic flows to put pressure on network capacity levels in the near term. However, we do believe that if operators can show a compelling revenue and EBITDA story that they will subsequently choose to accelerate investment as they seek to drive faster growth. We view trends as very much top down driven, i.e. financial targets rather than network congestion driven, and are encouraged by increased commentary around data growth among operators in recent quarters and the fact that it appears to be helping EBITDA margins.

Operator Managed Networks – scope for 23-65% increase in market and CAGR of 4-12% for total revenue to 2011
Our analysis of the managed services opportunity – also featured in this morning's report "Twelve-month Dynamics in EU Tech", – suggests the following:

- 26% to 65% increase in the European addressable market for vendors
- 4% to 12% CAGR in total European addressable market to 2011 even in the event of flat capex
- Potential 5% to 13% CAGR in Ericsson's European revenues to 2011

Our analysis suggests that even in a flat capex environment, which our voice and data analysis above suggests is unlikely, that the addressable market for equipment vendors could grow by a compound 4% to 12% to 2011. For Ericsson in particular, whose share in managed services is likely to exceed its equipment share, the growth could be 5% to 13% assuming no further share gains in mobile equipment or wireline equipment markets.

Our analysis is based on the following:

- 1-2% EBITDA margin benefit if operators outsource up to 50% of their network operations
- Reduced scope for differentiation in network maintenance increases likelihood of operators choosing to focus on cost savings
- Timing of transition uncertain, but most operators likely to have transitioned between 20% and 40% of network operations by 2011

- 1-2% potential capex savings factored in
- Ericsson, Nokia Siemens and Alcatel-Lucent the only viable vendors, likely to consolidate market further

The key driver of our forecasts is what percentage of network operations are likely to be outsourced. We estimate that Hutchison UK and Italy outsourced as much as 70% and that E-Plus have likely outsourced 50-55% of network operations. We consider these examples extremes though, with dominant vendors such as Vodafone likely to take more conservative approaches. Our lowest growth estimates are based on an average 20% of operations outsourced and the highest estimates with 60% outsourced. Our central case assumptions are 30-40%, giving growth of 6% to 8% for the market and 7% to 9% for Ericsson to 2011 even in the event of flat capex (effectively declining capex as we factor in up to 2% capex savings depending on the level of outsourcing).

Long-term outlook appears solid even in Ericsson's weakest market

Western Europe has become one of Ericsson's weakest markets, with revenue in Q2 down 1% sequentially (normal seasonality is up double digits) and down 3% year on year. Comments by some vendors, such as Vodafone, have raised concerns that the market may weaken further in both the near and long term. This has inevitably hurt growth expectations for Ericsson and the share price.

Our analysis suggests that even with flat capex the opportunities for managed services mean that Western Europe should remain a mid to high single digit growth market for Ericsson over time. Moreover, with mobile voice traffic likely to double over the next three years and mobile data showing signs of moving to mass market adoption in 2008, we see upside to capex estimates. The combination of these two issues gives us confidence that Ericsson should be able to post high single digit revenue growth over a 4 to 5 year period.

While we have confidence in our analysis on a long-term basis, we do not expect to see any major catalysts supporting this in the near term, i.e. during 2007. We do expect to see more and more positive data-points come through during 2008 however, and hence see our fundamental valuation coming through on a 12 month basis.

Sony Ericsson Confident in 2H07

The Sony Ericsson team indicated its confidence at the analyst day that it would retain its momentum in the second half of 2007. We believe Sony Ericsson is likely to at least retain its market share in 2H07. We believe efforts to a slightly tired product line and move to lower price tiers may ease margin in 3Q07, though management indicated that margins should rise in 4Q07 given new product launches. While again not above our model, Nokia's introduction of a suite of music phones in August raised concerns for Sony Ericsson.

Target price cut to SEK30/$44 from SEK32/$47

We are lowering our price target from $47 to $44. We believe that Ericsson is set to meet our estimates through 2007 rather than exceed them as hoped. As such we are lowering our multiple from 16x to 15x. We have made minimal changes to our estimates, reflected below.

Our new estimates and old are shown in the table below:

Forecast changes	1Q07a	2Q07a	3Q07e	4Q07e	2007e	2008e
Revenues - new	42,156	47,619	44,527	59,939	194,240	211,207
Revenues - old	42,156	47,619	44,527	59,939	194,240	210,531
EBITA (adjusted) - new	8,151	9,255	8,590	13,216	39,211	42,525
EBITA (adjusted) - old	8,151	9,255	8,755	13,257	39,418	42,655
EPS - new	0.36	0.40	0.38	0.60	1.75	1.90
EPS - old	0.36	0.40	0.38	0.61	1.75	1.90
EPS – new (USD)	$0.50	$0.58	$0.55	$0.88	$2.51	$2.76
EPS – old (USD)	$0.50	$0.58	$0.56	$0.88	$2.52	$2.77

Source: Lehman Brothers

On a multiples basis we see fair value for Ericsson at $44. The table below shows our methodology, which is:

- We strip Sony Ericsson from core earnings to reflect different earnings dynamics
- We assign a multiple of 15x for the core Ericsson business and 14x for Sony Ericsson, plus 25x for Ericsson's IPR revenue

Sum of the Parts Valuation

FISCAL 2008	EBIT	Tax rate	Shares Outstanding	Exchange Rate	Net Income per Share	Multiple	Enterprise Value
Core Ericsson	34,427	30%	1,596	6.87	2.20	15	$32.96
Sony Ericsson	6,798	30%	1,596	6.87	0.43	14	$6.08
IPR	1,300	30%	1,596	6.87	0.08	25	$2.07
Cash							$2.45
Total							**$43.56**

Source: Lehman Brothers

Historical and Projected Income Statement

* Quarterly 2006 & beyond reflective of new segment reporting structure given in conjunction w/1Q07 results *

Period Ending	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08
(SEK, M)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY	FY	FYE	FYE	FYE
INCOME STATEMENT																	
Net Sales	31,467	38,444	36,245	45,665	39,571	44,768	41,271	54,211	42,156	47,619	44,527	59,939	131,972	151,821	179,821	194,240	211,207
YoY Growth	11.9%	17.9%	13.8%	15.8%					7%	6%	8%	11%	12%	15%	18%	8%	9%
QoQ Growth	-20.2%	22.2%	-5.7%	26.0%		13%	-8%	31%	-22%	13%	-6%	35%	-	-	-	-	
Cost Of Sales	16,213	20,797	19,862	25,497	22,346	25,692	25,506	31,331	24,034	27,166	25,514	34,405	70,864	82,369	104,875	111,118	121,444
Gross Profit	15,254	17,647	16,383	20,168	17,225	19,076	15,765	22,880	18,122	20,453	19,013	25,534	61,108	69,452	74,946	83,122	89,763
R&D (including capitalized R&D)	5,674	6,267	6,135	6,378	6,621	6,767	6,990	7,155	6,453	7,208	6,813	7,792	23,421	24,454	27,533	28,266	30,414
SG&A	3,641	3,895	3,932	5,332	4,792	5,263	5,296	6,071	5,322	5,856	5,388	6,773	15,921	16,800	21,422	23,339	24,922
Total Operating Expenses	9,315	10,162	10,067	11,710	11,413	12,030	12,286	13,226	11,775	13,064	12,200	14,565	39,342	41,254	48,955	51,604	55,336
Restructuring Costs	-							-	-	-	-	-			-	-	-
Total Operating Expenses (ex restructuring)	9,315	10,162	10,067	11,710	11,413	12,030	12,286	13,226	11,775	13,064	12,200	14,565	39,342	41,254	48,955	51,604	55,336
Other Op. Income	347	425	836	883	115	215	3,252	321	162	389	270	350	2,317	2,491	3,903	1,171	1,300
Share in JV & associated comps	316	393	673	1,013	697	992	2,035	2,210	1,642	1,477	1,507	1,897	2,323	2,395	5,934	6,523	6,798
Capital Gains															-		
Pro Forma Op Income	6,602	8,303	7,825	10,354	6,624	8,253	8,766	12,185	8,151	9,255	8,590	13,216	26,406	33,084	35,828	39,211	42,525
Financial Income	713	881	697	362	522	567	499	366	556	322	340	380	3,541	2,653	1,954	1,598	2,200
Financial Expense	(573)	(696)	(490)	(643)	(467)	(529)	(397)	(396)	(443)	(292)	(325)	(330)	(4,081)	(2,402)	(1,789)	(1,390)	(1,550)
Minority Interest	(27)	48	(69)	(97)	(30)	(20)	(63)	(72)	(34)	(100)	(50)	(50)	(297)	(145)	(185)	(234)	(200)
Pre-Tax Earnings	6,715	8,536	7,963	9,976	6,649	8,271	8,805	12,083	8,230	9,185	8,555	13,216	25,569	33,190	35,808	39,185	42,975
Taxes, Net	(2,098)	(2,693)	(2,649)	(1,435)	(2,074)	(2,559)	(2,572)	(2,352)	(2,415)	(2,776)	(2,566)	(3,568)	(8,506)	(8,875)	(9,557)	(11,326)	(12,678)
Adjusted Net Earnings	4,617	5,843	5,314	8,541	4,575	5,712	6,233	9,731	5,815	6,409	5,988	9,647	17,063	24,315	26,251	27,860	30,298
EPS (SEK)	0.29	0.37	0.33	0.54	0.29	0.36	0.39	0.61	0.36	0.40	0.38	0.60	1.08	1.53	1.65	1.75	1.90
Shares O/S	15,827	15,908	15,907	15,923	15,923	15,932	15,943	15,949	15,957	15,966	15,966	15,966	15,859	15,891	15,949	15,964	15,964
SEK/U.S.	7.01	7.11	7.90	7.45	7.82	7.60	7.50	7.38	7.34	6.87	6.87	6.87	7.35	7.37	7.58	6.99	6.87
EPS (U.S.)	$0.42	$0.52	$0.42	$0.72	$0.37	$0.47	$0.52	$0.83	$0.50	$0.58	$0.55	$0.88	1.45	2.08	2.19	2.51	2.76
ADRs	1,583	1,591	1,591	1,592	1,592	1,587	1,594	1,595	1,596	1,597	1,597	1,597	1,598	1,589	1,595	1,596	1,596
Percent of Sales:																	
Gross Profit	48.5%	45.9%	45.2%	44.2%	43.5%	42.6%	38.2%	42.2%	43.0%	43.0%	42.7%	42.6%	46.3%	45.7%	41.7%	42.8%	42.5%
Operating Income	21.0%	21.6%	21.6%	22.7%	16.7%	18.4%	21.2%	22.5%	19.3%	19.3%	19.3%	22.0%	20.0%	21.8%	19.9%	20.2%	20.1%
Pre-Tax Income																	
Net Income																	
R&D	18.0%	16.3%	16.9%	14.0%	16.7%	15.1%	16.9%	13.2%	15.3%	15.3%	15.3%	13.0%	17.7%	16.1%	15.3%	14.6%	14.4%
SG&A	11.6%	10.1%	10.8%	11.7%	12.1%	11.8%	12.8%	11.2%	12.6%	12.6%	12.1%	11.3%	12.1%	11.1%	11.9%	12.0%	11.8%
Tax Rate, Net	31.2%	31.5%	33.3%	14.4%	31.2%	30.9%	29.2%	19.5%	29.3%	29.3%	30.0%	27.0%	33.3%	26.7%	26.7%	28.9%	29.5%
Sequential Increase:																	
R&D	-16.6%	10.5%	-2.1%	4.0%	3.8%	2.2%	3.3%	2.4%	-9.8%	-9.8%	-5.5%	14.4%					
SG&A	-9.0%	7.0%	0.9%	35.6%	-10.1%	9.8%	0.6%	14.6%	-12.3%	-12.3%	-8.0%	25.7%					
Annualized Opex Run Rate	37,260	40,648	40,268	46,840	45,652	48,120	49,144	52,904	47,100	47,100	48,801	58,260					

Source: Company reports, Lehman Brothers

Source: Company reports, Lehman Brothers estimates

Analyst Certification:

We, Jeff Kvaal, Stuart Jeffrey and Tim Luke, hereby certify (1) that the views expressed in this research Company Note accurately reflect our personal views about any or all of the subject securities or issuers referred to in this Company Note and (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Company Note.

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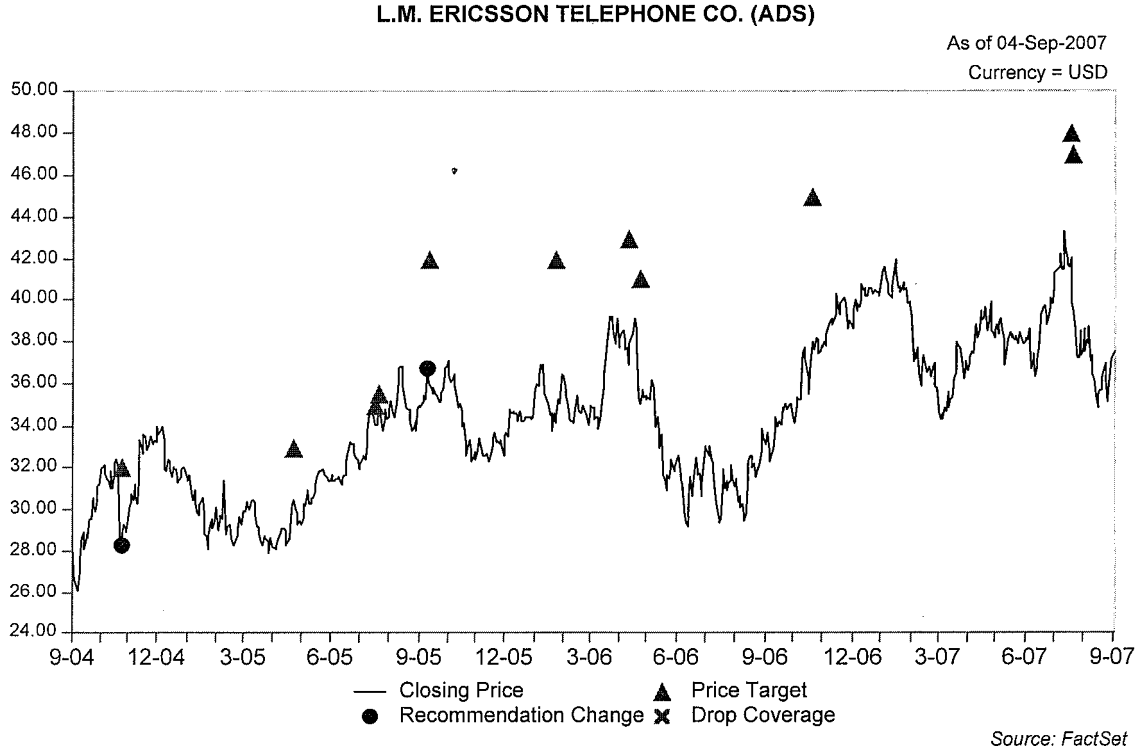
Company Description:

Sweden-based Ericsson develops and manufactures wireless handsets, infrastructure, and networking equipment for the global telecommunications market.

Important Disclosures:

Ericsson (ERIC) **US$ 38.26 (11-Sep-2007)** **1-Overweight / 2-Neutral**

Rating and Price Target Chart:



Currency=US$

Date	Closing Price	Rating	Price Target
23-Jul-07	39.50		47.00
20-Jul-07	39.84		48.00
20-Oct-06	38.04		45.00
24-Apr-06	35.03		41.00
12-Apr-06	37.92		43.00
24-Jan-06	34.18		42.00
13-Sep-05	35.95		42.00

Date	Closing Price	Rating	Price Target
09-Sep-05	36.71	1 -Overweight	
21-Jul-05	34.68		35.50
18-Jul-05	34.03		35.00
22-Apr-05	30.47		33.00
25-Oct-04	28.28		32.00
25-Oct-04	28.28	2 -Equal weight	

FOR EXPLANATIONS OF RATINGS REFER TO THE STOCK RATING KEYS LOCATED ON THE PAGE FOLLOWING THE LAST PRICE CHART.

Lehman Brothers Inc. and/or an affiliate makes a market in the securities of Ericsson.
Lehman Brothers Inc and/or an affiliate trade regularly in the shares of Ericsson.

Valuation Methodology: Our price target is $44 or ~15x our 2008 EPS of $2.76.

Risks Which May Impede the Achievement of the Price Target: Ericsson, as the leading provider of wireless infrastructure, is very leveraged to the spending patterns of global wireless carriers. Carrier capex has declined significantly over the past two years and visibility into stabilization is uncertain. Ericsson must continue to restructure its operations in response to declining sales. We also consider the performance of Ericsson's smaller units, its wireline operation and SonyEricsson handsets to be risk factors as sales have declined in these units in recent quarters.

Other Material Conflicts: Stuart Jeffrey is employed in London by Lehman Brothers (International) Europe which is regulated by FSA. While Mr Jeffrey is not qualified as a research analyst with the NYSE or the NASD he is qualified as a research analyst with the FSA.

Important Disclosures Continued:
The analysts responsible for preparing this report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by investment banking activities

Company Name	Ticker	Price (11-Sep-2007)	Stock / Sector Rating
Ericsson	ERIC	US$ 38.26	1-Overweight / 2-Neutral

Guide to Lehman Brothers Equity Research Rating System:
Our coverage analysts use a relative rating system in which they rate stocks as 1-Overweight, 2-Equal weight or 3-Underweight (see definitions below) relative to other companies covered by the analyst or a team of analysts that are deemed to be in the same industry sector (the "sector coverage universe"). Below is the list of companies that constitute the sector coverage universe:

Airvana Inc. (AIRV)
Comtech Group Inc. (COGO)
Ericsson (ERIC)
Hittite Microwave Corp. (HITT)
Nokia (NOK)
Palm, Inc. (PALM)
Research In Motion (RIMM)
Sierra Wireless (SWIR)
Starent Networks Corp. (STAR)
Ulticom, Inc. (ULCM)
Andrew Corporation (ANDW)
Comverse Technology, Inc. (CMVT)
Glu Mobile Inc. (GLUU)
Motorola, Inc. (MOT)
Openwave Systems, Inc. (OPWV)
Powerwave Technologies (PWAV)
RF Micro Devices (RFMD)
Skyworks Solutions, Inc (SWKS)
Triquint Semiconductor (TQNT)

In addition to the stock rating, we provide sector views which rate the outlook for the sector coverage universe as 1-Positive, 2-Neutral or 3-Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

Stock Rating
1-Overweight - The stock is expected to outperform the unweighted expected total return of the sector coverage universe over a 12-month investment horizon.
2-Equal weight - The stock is expected to perform in line with the unweighted expected total return of the sector coverage universe over a 12- month investment horizon.
3-Underweight - The stock is expected to underperform the unweighted expected total return of the sector coverage universe over a 12-month investment horizon.
RS-Rating Suspended - The rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Lehman Brothers is acting in an advisory capacity in a merger or strategic transaction involving the company.

Sector View
1-Positive - sector coverage universe fundamentals/valuations are improving.
2-Neutral - sector coverage universe fundamentals/valuations are steady, neither improving nor deteriorating.
3-Negative - sector coverage universe fundamentals/valuations are deteriorating.

Distribution of Ratings:
Lehman Brothers Equity Research has 2082 companies under coverage.
40% have been assigned a 1-Overweight rating which, for purposes of mandatory regulatory disclosures, is classified as Buy rating, 29% of companies with this rating are investment banking clients of the Firm.
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